Secdt. IX-97—45,000—18-12-30.

L-S-f (1932) Department.
(P-H)

MS SERIES.

G.O. No. 272

DATED 4/2/32

[Despatch Abstract.]

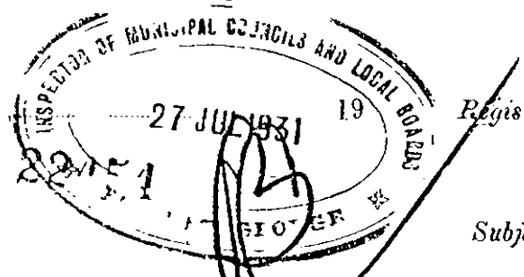
Village Development Fund

(S. Kanara)

Scope and extent in the utilisation of — p/p recd

C.F. 30.

LOCAL SELF GOVERNMENT **DEPARTMENT.**



Received ..... 19 *Registered* ..... 19 .

Subject.

Village Development Fund - (South Kanara) Scope and extent Utilization of - doubts referred to Government.

ENCLOSURES.
No. .....
.....
Spare copies .....

C. No. 434/Sup'31.

Station PUTTUR; ..., *Dated the* 19th JULY 1931.

From (Name) M.-R. Ry. Molahalli Shiva Rao, Avergal.,
PRESIDENT;
(Designation) Taluk Board, Puttur, South Kanara Dt.

To The Secretary to the Government of Madras,
LOCAL SELF GOVERNMENT -- Department.
Fort Saint George, Madras.

Through, The INSPECTOR OF LOCAL BOARDS,
Madras.

Sir,

I have the honour to invite your kind attention to the contribution on "Administration of Village Development Fund" by Mr. C.V.Naidu published on pages 41 to 44 of The Local Self Government Quarterly in its current issue (July 1931) and draw your particular attention to para 2 on page 42 of the Journal, in which he expresses the opinion that the Fund can be utilised only in the villages declared by the Local Government under Sec.5 and administered by a -- Panchayat Board under Sec.6(1) and not in any other rural area. He states the reasons for this interpretation, which appears to be correct. As this is a very important matter cpncerning the administration of the newly formed fund, to

which the Committee also is new, it is necessary that Government should issue an order clearing the ground so that the Fund may be utilised only for the purposes for which it is intended by the legislature.

2. If deemed fit, the matter may be referred to the Advocate General and the opinion communicated to all concerned at an early date.

Your most obedient Servant.

President,
Puttur Taluk Board.

k.s/21-7.

OFFICE OF THE INSPECTOR OF MUNICIPAL COUNCILS AND LOCAL BOARDS,

Mount Road. 38194

M.Dis.No.22154-B3-1 dated 22-9-1931.

Forwarded.

2. There is a good deal to be said for Mr. C. V. Naidu's interpretation of section 114-A. There is certainly nothing in the subject or context of this section which is repugnant to 'village' in the section having the meaning given to it by --- section 3 (23); and I shall not be surprised if a court of law on a proper application being made to it acts on this view and issues an injunction against any portion of the Village Development Fund being spent on works in non-panchayat areas. Nor do I think it incorrect or wrong policy on the merits to confine expenditure from the Village Development Fund to panchayat areas. The annoucement of such a policy will greatly speed up the -- formation of panchayats, place at their disposal much - needed funds for financing capital works in their areas and steady their working. The Act has taken panchayats into its fold and presumably -- contemplates that as soon as possible every part of a district will come under the jurisdiction of some panchayat or other. This purpose will be achieved sooner than otherwise if the Village Development Fund is ear-marked for expenditure only in panchayat areas and we are doing no violence to the language of section - 114-A by interpreting it in the manner contended for by Mr.C.V.Naidu.

22/9/31

L.P.22-9-31. Personal Assistant.

22/9/31

2.4.19

L&S (DH) Dept

Cir. 38144 from the P.W.D. South Kanara

Cir. 4324/ dtd 31 of 4.7.1931.

Village Development Fund - (South Kanara)
Scope and Extent in the utilization of -

The Local Govt Quarterly (July 1931) received for the disposal of this paper is reported to have been taken by the Inspector's office from the Secretariat Library. The Library may be requested to send the Journal immediately as soon as it is received from the Inspr's office.

ASSISTANT SECRETARY TO GOVT. 1- OCT 1931 SECT.

Dy
29.9.

Asst
29/9

L&S (3) 38144 dtd
30.9.31

29/9/31 Chief Secretariat Library

Sect. Library

N.S.

The periodical referred to above has not yet been received back from the Inspector of Local Boards. A special reminder has since been sent for its return.

2 Under the Library rules, "all applications for books (and periodicals)

must be made in the prescribed form. Notes or slips from Supts or clerks asking for books either for themselves or for superior officers will not be complied with.

× × ×

" Files should not be sent to the Librarian asking him to put up the books required for disposal. This is no part of the Librarian's duties and such files sent to him will be returned to the department with a note indicating the correct ~~method~~ procedure." | A | B

3/ The file may be returned to the L. S.G. (P.H) Dept with reference to "A" & "B" above, and they may be requested to renew their applications a week hence, in the prescribed Library requisition form.

Ras 3-X-31. 3.10.31

(X 6/10 LSG

L.S.G.(PH) Dept

Lib no. 2881 7-X-31

SECRETARY TO GOVERNOR 7-OCT1931 LEGAL S. 4006/31

This may be returned to the dept with the information that the book is available from the library. The duplicate application for the book will be sent to the library a week hence in the prescribed form.

LSG 7/10/31

3/X/31

LSG 7/10

Pl note 8/10

LSG 7/10/31 letter 7/10

A5, 1
dd

Please see the letter of the P.T.P. Patter on pages 1 and 2 of. Mr. C.V. Naidu is of opinion that the Village Development Fund can be utilized only in the villages declared by the local Govt. Govt under section 5 and administered by a Panchayat Board under section 6(1) and not in adjoining rural area and his reasons for arriving at this decision are clearly brought out in this article on pages 41 to 44 of the Local Self. Government quarterly for July 1931. The Inspector of rural dev. is also inclined to favour Mr. Naidu's interpretation.

2. The interpretation of Mr. Naidu does not seem to be wholly correct. He has ignored the second proviso to sub-section 2 of section 6 in arriving at his decision. and the Inspector has not also noticed this. The proviso to the second sub. section (2) of section 6 of the M.C.B. Act lays down that the T.B.D. shall exercise the powers discharge the duties, perform the functions and be credited with the receipts and debited with the charges of the panchayat and the Taluk Board shall exercise the powers, discharge the duties and perform the functions of the Panchayat in that party the Taluk

where there is no panchayat. Since the
Taluk under this proviso acts in the place
of the panchayat, the area over which
the Taluk exercises the functions of a
panchayat should (even according to the arguments advanced by Mr. C.V. Naidu
naturally be deemed
to be a village area.

3. Further it cannot be the
intention of the legislature to limit the
utilization of the fund only to the villages
~~as defined by Mr. Naidu~~ as are Panchayat Blocks
as the fund
comprises only of a portion of the land cess
collected in the rural areas ~~covered by Mr. Naidu~~ of the whole Dt.

4. In the above circumstances
it does not appear necessary to refer
the matter to ~~the~~ Advocate
General for advice as required in the C.A. For other
matters the Dt may be informed that
there is nothing to limit the utilization
of the fund to only the villages defined by
Mr. Naidu and that the fund should be
utilised in all the rural areas inclusive
of the areas over which the Taluk Boards
~~do~~ exercise the functions of the panchayats

LRG 31/10. Mr. C.V. Naidu may be
technically correct but it does
not appear that the intention
of the Select Committee which
inserted this provision in the

Bill which was referred to it, was that the Fund should be utilised only in Panchayat Board areas. Though the Fund is called the 'V.D. Fund' the administration of it is vested in a Committee [Sec 114-A(5)] and it would appear that it will be for that Committee to decide [Sec 114-A-(9)] in which areas and in what manner the Fund should be spent. As pointed out by the Insp^r. the Act might have contemplated early formation of Panchayat Boards for almost all villages in the D^t and but in giving effect to it the needs of other villages should not be ignored. The P.L.B. Patten may be informed that it is not the intention of the Govt that the Fund should be utilised only in Panchayat Board areas. Orders

[There are three copies of the Quarterly in the office and the file should not have been delayed till the copy in the Library was available]

Although

Subject that E. is not

3/11

Although the interpretation
offer by Naidu might as
observed by Mr. Gopalaswami
Ayyangar help to the speedier
formation of more panchayats
the act as it stands cannot be
held to debar expenditure from
the village development fund
on rural areas not formed
into panchayats

Yours for

dfs
Secy
Min

Mr. C.V. Naidu is probably technically
correct but I don't think the
Select Committee ever intended that the V.D. Fund should
be utilised only in panchayat
areas so that would be to
deprive the [illegible] rural areas of the benefits of the
fund. It is no argument to
say that the restriction of its
expenditure to panchayat areas
will speed up the formation
of panchayats, a process
which ever inds be most
forwarded. Circumstances must

take decades to be completed. We ought to do something in the education field in all rural areas. At any rate until some enterprising individual gets a ruling from the Supreme Court upholding Mr. Gandhi's interpretation.

This can await the result of the discussion on the V.D. Fund at the Conference called by H.M.I.

Draft letter prepared. As a result of the conference, drafts under subsection (9) of section 114 A of the Act have been published for criticism. Copy of the rules is put up at flag (Y) in the top file. Rule 14 of these rules states that not less than 1/4 of the receipts credited to the fund under clause (a) of subsection (2) of section 114 A of the Act should be spent in panchayats in the district. The remaining amount will have to be spent in areas which are not panchayats. No decision is

(38144

Therefore called for writing and the papers may be

Order No. 14/2 Pet. 01/4/2/32-23/11 26/11

OS

Recorded.

Adv
Adv
Adv